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1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE DISTRICT OF DELAWARE

3 MBIA INSURANCE CORPORATION :  
4 and WELLS FARGO BANK, :  
5 N.A. (f/k/a WELLS FARGO :  
6 BANK MINNESOTA N.A.) as :  
7 TRUSTEE OF SFC GRANTOR :  
8 TRUST, SERIES 2000-1, SFC :  
9 GRANTOR TRUST, SERIES :  
10 2000-2, SFC GRANTOR TRUST, : C.A. No.  
11 SERIES 2000-3, SFC GRANTOR : 02-1294-JJF  
12 TRUST, SERIES 2000-4, SFC :  
13 GRANTOR TRUST, SERIES 2001-1, : DEPOSITION OF:  
14 SFC GRANTOR TRUST, SERIES :  
15 2001-2, SFC OWNER TRUST : STEPHANIE SCOLA  
16 2001-I, AND SFC GRANTOR :  
17 TRUST, SERIES 2001-3, : TRACK (I)  
18 Plaintiffs/Counterclaim :  
19 Defendants, :  
20 :  
21 v. :  
22 :  
23 ROYAL INDEMNITY COMPANY, :  
24 Defendant/Counterclaim :  
25 Plaintiff. :  
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14 ROYAL INDEMNITY COMPANY,  
15 Third-Party Plaintiff,  
16 vs.  
17 ANDREW N. YAO, STUDENT LOAN SERVICING LLC,  
18 STUDENT LOAN ACCEPTANCE II LLC, STUDENT LOAN  
19 ACCEPTANCE III LLC, STUDENT LOAN ACCEPTANCE  
20 III LLC, STUDENT LOAN ACCEPTANCE V LLC,  
21 STUDENT LOAN ACCEPTANCE VIII LLC, STUDENT LOAN  
22 ACCEPTANCE IX LLC, SFC FINANCIAL LLC I, SFC  
23 FINANCIAL LLC II, SFC FINANCIAL LLC VI, SFC  
24 FINANCIAL LLC VII,  
25 Third-Party Defendants.

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22 ROYAL INDEMNITY COMPANY,  
23 Counter-Claimant,  
24 vs.  
25 MBIA BANK and WELLS FARGO BANK MINNESOTA,  
N.A.,  
Counter-Defendants.

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## THE VIDEO TAPE OPERATOR:

2 We're on the record. This is a video tape  
3 deposition for the United States District  
4 Court for the District of Delaware.

5 My name is Robert Higham.

6 I am the video tape operator. I am employed  
7 with Veritext New York.

8 The court reporter is

9      Jeanne Christian.

10 The caption for today's  
11 case is as follows: MBIA Insurance  
12 Corporation, et al, versus Royal Indemnity  
13 Corporation; Civil Action Number 02-1294-JJJ.

14 There are several captions involved in this.  
15 The other civil action numbers are CA 04-155  
16 05-72, 05-165. The captions will be on  
17 stenographic record, as well as appearance o  
18 all counsel present.

19 The deponent today is  
20 Stephanie Scola. Today's date is September  
21 11, 2006. The camera time is 10:24.

22 The reporter will now swear  
23 in the witness

25 STEPHANIE SCOLA, after

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1 having been first duly sworn, was examined and  
2 testified as follows:

3 - - -  
4 EXAMINATION  
5 - - -

6 BY MR. SHAPIRO:

7 Q. Ms. Scola, good morning.

8 A. Good morning.

9 Q. My name is Steve Shapiro. We met off  
10 the record. For the record, I am an attorney  
11 with the Schnader Harrison Law Firm out of  
12 Philadelphia, and we represent the Defendants  
13 in this matter, Pepper Hamilton and Rod  
14 Gagne.

15 Have you ever been deposed  
16 before?

17 A. No.

18 Q. I just want to go over a couple of  
19 general ground rules about the deposition.

20 What will happen today is,  
21 I will be asking you questions, and you will  
22 be giving me answers. In order to make it  
23 clearer on the record, the court reporter will  
24 be there taking down all the questions and  
25 answers, and in order to make it clearer, we

1 Q. And you say that's here in Delaware,  
2 Wilmington?

3 A. Yes.

4 Q. Let's move back to your time at SFC.

5 Can you tell me what your  
6 title was when you started at SFC?

7 A. Manager of capital markets, I believe.

8 Q. And did you keep that title for the  
9 entire time you worked there?

10 A. Yeah.

11 Q. And what were your duties in that  
12 position?

13 A. To prepare loan portfolios for sale to  
14 investors through the capital markets.

15 Q. And did those job duties change over the  
16 time you were at SFC or stayed the same?

17 A. No, they were pretty much consistent  
18 throughout my time there.

19 Q. Who was your direct supervisor at SFC?

20 A. Diane Messick.

21 Q. And would you say you worked most  
22 closely with her? With whom did you work most  
23 closely at SFC?

24 A. Yeah, but -- yes, I worked most closely  
25 with Diane. Not only with Diane, but most

1 Q. Do you know what accounts SFC had at  
2 PNC? Hold on, wait. I withdraw that  
3 question.

4 Do you know whether or not  
5 SFC had accounts at PNC Bank?

6 A. Yes.

7 Q. What types of accounts?

8 A. I think the loan payments came into PNC  
9 Bank. Yes PNC had a lock box, so the loan  
10 payments came into PNC Bank.

11 Q. Does the name Darcy Lee ring a bell?

12 A. Vaguely.

13 Q. But nothing specific?

14 A. No.

15 Q. What was Rod Gagne's role with respect  
16 to SFC?

17 MR. MEROUSE: Objection.

18 THE WITNESS: Counsel. He  
19 was counsel for SFC. I'm not sure he would  
20 have called himself bond counsel, but he was  
21 counsel for SFC.

22 BY MR. SHAPIRO:

23 Q. He was one of SFC's lawyers?

24 MR. MEROUSE: Objection.

25 THE WITNESS: He was one of

1 SFC's lawyers, yes.

2 BY MR. SHAPIRO:

3 Q. Did you ever see Rod Gagne in SFC's  
4 Delaware offices?

5 A. I don't believe so.

6 Q. Do you remember any conversations with  
7 anyone at SFC about Rod Gagne?

8 MR. MEROUSE: Objection.

9 THE WITNESS: About any  
10 specific topic?

11 BY MR. SHAPIRO:

12 Q. Well, I mean, first of all, do you  
13 remember any conversations?

14 A. I'm sure that there were conversations  
15 related to the transaction that we would have  
16 been working on at the time. You know, what  
17 does Rob say, what does Rob need, what does --  
18 you know, whatever it was involving the  
19 transaction itself. Outside of that, no.

20 Q. And sitting here -- I'm sorry, go  
21 ahead.

22 A. No, as I recall, Rod's -- had a beach  
23 home, and so maybe we talked about that, but  
24 outside of that, no, I don't remember.

25 Q. When you say maybe we talked about that,

1 do you remember who the we is?

2 A. That would probably have been Rob  
3 Schrof, Rob or Diane.

4 Q. Do you know if Rod Gagne was part of the  
5 management structure at SFC?

6 A. It would be hard for me to tell, but it  
7 didn't appear so.

8 Q. Does the name Duncan Grant ring a bell?

9 A. Un-huh.

10 Q. How about Andrea Unterberger?

11 A. No.

12 Q. Tom Cole?

13 A. No.

14 Q. Jim Lawlor?

15 A. No.

16 Q. David Surbeck?

17 A. That name sounds familiar, but I don't  
18 know. I don't remember where from.

19 Q. Do you have any reason to believe that  
20 Pepper Hamilton did anything wrong with  
21 respect to SFC?

22 MR. MEROUSE: Objection.

23 MS. KENNY: Objection.

24 THE WITNESS: I'm not sure  
25 I would know.

1 A. (Witness complies.) Okay.

2 Q. The first sentence here says, "Regarding  
3 asking Rod about the true sale, we see no need  
4 to do that. He is not the attorney for this  
5 deal. Rod is not the attorney who has to sign  
6 the true sale opinion."

7 Did I read that correctly?

8 A. Um-hum.

9 Q. First of all, who is the Rod to whom  
10 Diane Messick is referring?

11 A. That would have been Rod Gagne.

12 Q. And did you understand this e-mail to be  
13 a direction from Ms. Messick not to contact  
14 Rod Gagne about this particular deal?

15 A. Um-hum.

16 Q. And did you follow Ms. Messick's  
17 instruction?

18 A. I certainly hope so.

19 Q. You don't remember one way or another?

20 A. Un-huh.

21 Q. Do you remember other situations where  
22 you were told not to contact Rod Gagne or  
23 anyone from Pepper about certain matters?

24 A. No, I don't.

25 Q. Do you recall where the -- where Powell